

Mount Prospect, IL - With the price of gas going above \$3 per gallon, Congressman Kirk outlined several actions Congress should take to reduce prices. Kirk called for:

1. Ending local fuel monopolies,
2. Raising fuel economy standards,
3. Extending hybrid tax credits,
4. Expanding refineries and
5. Boosting E85 fuel deployment.

“Federal action is needed to lower gas prices,” said Kirk. “Rising oil prices hurts our pocketbooks and threatens our economy. “The federal action I have called for enjoys widespread bipartisan support in the House and Senate. The American people are looking for relief at the pump and effective action by the federal government.”

One of the most important steps for Chicagoland would be to end the “boutique” fuel monopolies created by federal regulation. This regulation requires 16 separate blends of gasoline for major cities and prohibits one blend to be sold outside its only market. Drivers in Chicagoland must buy one of these blends – called RFG II – which is based on a patent from

just one oil company.

The regulation creates 16 local monopolies across the nation and leads to higher gas prices in Chicago.

“To honor our commitment to the Clean Air Act, the federal government should end these 16 monopolies and offer one clean burning fuel to the nation.

If we reform this regulation and permit a national gasoline market, we will return to full competition and lower prices,” said Kirk.

Alternative fuels are another way to reduce our dependence on foreign oil while protecting the environment. Kirk’s press conference was held at a Marathon Station in Mount Prospect that carries “E85” fuel. E85 fuel combines 85 percent ethanol with 15% gasoline. A gallon of E85 is selling 20 cents cheaper than regular unleaded gasoline in Illinois.

E85 is up to 60 cents cheaper in states like Minnesota and North Dakota who heavily promote the fuel.

While E85 fueling stations in Illinois have more than tripled over the past year, there are now enough fueling stations in Chicago and the suburbs to lower the price of gasoline. Illinois has 96 E85 stations while Minnesota has 203. E85 is now used in the Chevy Impala and the Ford Taurus. As more automakers make their smaller cars E85 compatible, the demand will rise.

Kirk also called for an increase in the Corporate Average Fuel Economy (CAFE) standards from 20.7 miles per gallon to 33 miles per gallon by 2014. Increasing fuel economy would save the average family \$2,000 per year. The move is opposed by big automakers and their unions. While Kirk and other representatives supported this move, Congress defeated a proposal to raise economy standards by a vote of 177 to 254 last April.

Without this action, the U.S. will depend on foreign oil to cover 75 percent of its energy costs.

“The most important step Congress can take is to increase conservation,” said Kirk. “Raising fuel economy standards will lower our need for foreign oil.”

Kirk further outlined the need for the \$2,000 tax credit to people who purchase hybrid vehicles. With Toyota and Ford coming out with hybrid versions of their SUVs, dealerships cannot keep these family accommodating vehicles in stock. Several sedans including the Honda Accord and Toyota Camry have also flooded the market. As more high mileage hybrid vehicles are built and distributed, our demand for foreign oil will lessen.

Finally, the federal government needs to expand the number of gasoline refineries. “The United States has not built a new refinery since 1976,” said Kirk. “The Gulf hurricanes wreaked havoc on our refineries and put our gasoline supply in jeopardy. We must build new refineries outside the Gulf coast to insulate Americans from price increases caused by the damage from hurricanes.”

Kirk closed his remarks by supporting congressional action calling on the Federal Trade Commission to stop price gouging. “I will work to make sure the Commission has what it needs to protect Americans from unfair gas pricing. If speculators are guilty of withholding supplies, their betrayal should suffer the full prosecution of the Commission and Justice Department.

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